

MINUTES of the seventy-sixth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at The Union Club, New York City, on January 14, 1958, at 11:00 a.m. (EST).

There were present:

Messrs.	Henry Bower	Harry B. McClure
	Peter Colefax	S. B. Penick, Jr.
	John T. Connor	Mark E. Putnam
	Lee V. Dauler	Robert B. Semple
	David H. Dawson	Charles Allen Thomas
	C. B. Edwards	R. W. Thomas
	Fred J. Emmerich	Kenneth C. Towe
	Raymond F. Evans	O. V. Tracy
	D. S. Frederick	George R. Vila
	Ernest Hart	M. F. Crass, Jr.
	John E. Hull	

Alternates: Allan J. Greene (for John E. McKeen)
F. O. Haas (for D. S. Frederick)
Donald Williams (for Mark E. Putnam)

General Counsel: Marx Leva - Fowler, Leva, Hawes & Symington

Present by Invitation: L. A. Coleman - Allied Chemical & Dye Corporation
W. A. Crichley - Diamond Alkali Company
J. Robert Fisher - Gamma Chemical Corporation
Marlin G. Geiger - W. R. Grace & Co.
H. E. Martin - Metal & Thermit Corporation
R. C. Swain - American Cyanamid Company
Ralph Wechsler - Nopco Chemical Company, Inc.
Rothe Weigel - Victor Chemical Works
J. Albert Woods - Commercial Solvents Corporation

In calling the meeting to order, Mr. Hart welcomed the guests and alternates who were present and urged them to participate in the discussions.

I. MINUTES OF DECEMBER 10, 1957, MEETING.

The Minutes of the December 10, 1957, meeting were amended to show the attendance of Mr. W. T. D. Ross. With this amendment, they were duly approved as submitted to the members.

II. REPORT OF THE EXECUTIVE COMMITTEE.

Mr. McClure stated that a breakfast meeting of the Executive Committee had taken place at 8:30 a.m. that day and that several items discussed at that meeting would be taken up in their respective places on the Board agenda.

III. TREASURER'S REPORT.

(a) Financial Report, June - December 1957. The financial report for the seven months ending December 31, 1957, was reviewed, and

ON MOTION duly made and seconded, it was

VOTED: That the report be accepted and placed on file.

(b) Resignation of Purocaine, Inc. This firm has presented its resignation because of a complete shutdown of operations, thereby making it ineligible for active participation under the Association's By-Laws.

(c) Semi-Annual Meeting Financial Report. With reference to the November 26, 1957, Semi-Annual Meeting, the Treasurer reported income of \$25,634.00 and expenses of \$18,099.81, leaving a balance of \$7,534.19 which has been assigned to surplus.

IV. BOARD OF DIRECTORS.

(a) Resignation of Fred J. Emmerich. In a letter dated December 16, 1957, Mr. Emmerich reported that he would retire from the Chairmanship of Allied Chemical & Dye Corporation as of January 1, 1958, and hence was submitting his formal resignation as a member of the Executive Committee and of the Board of Directors of the Association.

ON MOTION duly made and seconded, it was

VOTED: That Mr. Emmerich's resignation be accepted with regret and that the deep appreciation of the Board of Directors and of the Association be extended to Mr. Emmerich for the inspiration and valuable contributions which he provided during his tenure as an Association Officer and Director.

(b) Appointment of Alternate. The Chairman advised that Raymond F. Evans, Diamond Alkali Company, had requested the appointment of William H. McConnell as his alternate.

ON MOTION duly made and seconded, it was

VOTED: That the appointment be approved.

(c) Resolution in Memory of George W. Merck. At its meeting held in New York City on November 25, 1957, the Public Relations Advisory Committee unanimously passed the following resolution and asked that it be transmitted to the Board of Directors and to Merck & Co., Inc.:

"Whereas, the late George W. Merck was one of the original sponsors of the Public Relations program of MCA, and whereas,

on a continuing basis his advice and counsel was of tremendous value to the PRAC in meeting its problems, and whereas, his station in the chemical industry made his support of PRAC a matter of vital importance, Be it resolved that the PRAC desires to make this expression of its regrets at his untimely death, and directs the Secretary to place this memorial in the record, and to transmit a copy to the Board of Directors of MCA and to Merck and Co. "

(d) Membership Committee. It was reported that an application had been received from Foote Mineral Company and that, in the opinion of the Membership Committee, the applicant is qualified for membership under the Association's By-Laws.

ON MOTION duly made and seconded, it was

VOTED: That the application be approved subject to the 30-day notification to members provided under Article III, Section 4, of the By-Laws.

(e) Association Policy Study Committee. At its meeting held on December 10, 1957, the Directors approved formation of a special policy committee to survey and study Association policy with respect to growth, facilities, and program and to draft a report for submittal to the Board of Directors at a later date. The appointments of the following committee personnel were approved:

D. S. Frederick, Chairman
David H. Dawson
Harry B. McClure
George R. Vila

(f) 86th Annual Meeting. Mr. Penick reported that a meeting of the Program Committee had been held on the afternoon of December 10 and that tentative agreement was reached on program. During the business session on the morning of June 12, 1958, Mr. John T. Connor will deliver the principal address. Mr. Gordon Gray, Director, Office of Defense Mobilization, has been invited to be the banquet speaker, although Mr. Gray's acceptance has not yet been received. Those present were asked to suggest alternates in place of the Monte Carlo Party generally held on the evening of the first day. More stringent hotel requirements make it mandatory on the part of registrants to remain at The Greenbrier for at least two nights during the Annual Meeting.

(g) March 1958 California Meeting. In behalf of the West Coast Committee, Mr. Hart briefly reviewed arrangements for the Pebble Beach, California, Directors' meeting on March 25 - 27. Directors, their wives, and executive representatives from West Coast member companies will be the guests of Stauffer Chemical Company at a reception in San Francisco on the night of March 24. The local committee will provide automobile and air transportation to Pebble Beach the next morning. Program for that day, following arrival, will be informal, with a reception in the evening. The business meeting will be held on Wednesday morning, March 26,

followed by luncheon and golf. That evening a dinner dance will be held. Thursday, March 27, will be departure day. The Secretary has already transmitted reservation forms to Directors and other Executive Contacts with a date of January 23 set for return of the forms. Individual accommodations at Del Monte Lodge will be reserved by the West Coast Committee through the Association.

(h) Finance Committee. Mr. Dauler reported that a meeting of the Finance Committee had been held the previous evening to discuss the Association's financial position and to give advance consideration to budget and income for fiscal 1958-59. A preliminary budget and method of financing will be presented to the Board at its April 1958 meeting. On the basis of income projections, it would appear possible to maintain the current membership fee structure for next year.

V. COMMITTEE APPOINTMENTS.

The Board of Directors approved the following Committee appointments:

(a) Mechanical Technical Committee.

D. F. Hollingsworth, E. I. du Pont de Nemours & Co., Inc., as
Chairman.

A. H. Knoll, The Procter & Gamble Company, as Vice Chairman.

(b) Public Relations Advisory Committee.

James P. Freeborn, W. R. Grace & Co., replacing Harry Tomlinson.
Charles H. Slater, J. T. Baker Chemical Co., replacing R. A. Clark.

(c) Tank Car Committee.

E. L. Santner, Diamond Alkali Company.

(d) Washington Advisory Committee. In accordance with terms of reference previously approved, the Board confirmed the appointments of the following, to constitute the Washington Advisory Committee for the balance of this fiscal year and for fiscal 1958-59:

George Flanagan, B. F. Goodrich Chemical Company
Harry A. Kuhn, Allied Chemical & Dye Corporation
Donald MacArthur, Koppers Company, Inc.
Gordon W. McBride, Union Carbide Corporation
Barclay K. Read, Shell Chemical Corporation
Francis E. Simmons, American Viscose Corporation

VI. STAFF REPORT AND MISCELLANEOUS ITEMS.

(a) Public Relations and Education. General Hull stated that the annual MCA survey of new chemical plant construction for calendar 1957 had been completed and would be issued to the press within a few days.

He then discussed the Education Program at the junior and senior high school levels, referring to an order and distribution memorandum, copies of

which were supplied to those present. This compilation showed that as of December 31 last a total of over 10,000 schools (out of the 30,000 in the U. S.) were participating in the junior high school program, and that a total of 6,000 institutions out of 12,500 teaching chemistry had requested the senior high school program materials. Three national organizations -- American Chemical Society, American Institute of Chemical Engineers, and the American Association for the Advancement of Science -- will utilize MCA materials in carrying forward their own programs with schools in local areas.

(b) S. 11, to Amend the Robinson-Patman Act. General Hull referred to the referendum of the Chamber of Commerce of the United States on this legislation and stated that support for a Chamber position in opposition appeared to be in the majority. Several national organizations at the wholesale and retail level have protested the wording of the Chamber proposal.

(c) Precautionary Label Legislation. For many years it has been general MCA policy to refrain from being the advocate for specific legislation. Comparable to this policy has been the Association's practice to support legislation, following introduction, where such support was deemed to be in the interests of MCA members and the chemical industry. We have been urged to support hearings in the case of three Federal bills now pending which have to do with the labeling of hazardous products used in the household. The Association's Committee and staff believe this legislation to be sound; it follows MCA principles of uniformity and would materially assist in promoting such uniformity at the state legislative level. Rather than press for hearings, however, the staff recommended that our support be made known to interested legislators on an informal basis, with active espousal left in the hands of the trade association representing household product manufacturers. This position was affirmed by those present.

(d) International Trade and Tariff. The Secretary reported that the National Industrial Conference Board Study, sponsored and financed by MCA, the American Tariff League, Copper and Brass Research Association, and several member firms, had been completed and a portion of it included verbatim in the permanent record of hearings of the House Foreign Trade Subcommittee. All moneys collected have been expended, and it appears that there will be a deficit of approximately \$700. Although no plans have been made to print the document, there is a possibility that NICB may do this at a later date in connection with another project.

(e) Patent Committee. The Secretary reported that a meeting of the Patent Committee had been held on December 11, at which time a reorganization of the Committee, involving program, rotation of membership, and the supply of pertinent information to the staff, was considered. It is expected that a final report will be presented to Directors within the near future.

(f) Air Pollution Abatement. Those present were handed copies of the newly published second edition of "A Rational Approach to Air Pollution Legislation," prepared by a subcommittee of the Association's Air Pollution Abatement Committee. This publication, which has already been of substantial benefit in connection with state legislative effort, will be distributed to legislators and to interested individuals and groups on a complimentary basis.

(g) Business and Defense Services Administration. It was reported that Mr. Robert M. Prather had been sworn in as Administrative Adviser to the BDSA Chemical and Rubber Division on January 6. On six months' leave from Merck & Co., Inc., on a WOC basis, Mr. Prather is the first industry executive to assume this position, following abandonment of the Commerce Department's previous policy of appointing WOC directors of industry divisions. In making the above announcement, the Secretary urged those members who had made previous commitments to supply division directors to honor these commitments under the new administrative adviser arrangement. Member firms who had previously expressed cooperation, together with the date of commitment, are as follows:

July 1, 1958 -- American Cyanamid Company
 January 1, 1959 -- Koppers Company, Inc.
 July 1, 1959 -- Chas. Pfizer & Co., Inc.
 January 1, 1960 -- Wyandotte Chemicals Corporation

(h) International Labor Organization. It was reported that Mr. H. W. Stull, Olin Mathieson Chemical Corporation, would attend the 5th Chemical Industries Committee meeting of ILO in the capacity of employer adviser. Others in the delegation, which have been previously announced, include Messrs. E. W. Dwyer, Monsanto; J. H. Foulger, M.D., du Pont; and M. F. Crass, Jr., MCA.

(i) MCA Tax Policy. In accordance with action taken at the December 10, 1957, meeting, the Association requested time to present testimony before the House Ways and Means Committee. We were assigned time on January 21, and Chairman W. A. Crichley of the Tax Policy Committee has agreed to present our statement.

Mr. Crichley was then called into the meeting to discuss the draft of oral testimony, together with supplemental statement, which had been prepared by the Tax Policy Committee and transmitted to members of the Board of Directors in advance of the meeting.

Mr. Crichley made it clear that the draft material was not in final form, since he expects to receive from members of the Tax Policy Committee suggestions for editorial changes in the draft material, prior to the date scheduled for his testimony.

Various aspects of the draft of the oral testimony and the supplemental statement were discussed by members of the Board.

Following this discussion, it was agreed that the items covered in the draft material, together with an additional general item dealing with depreciation along the lines of a draft circulated by Mr. Crichley at the meeting, should be covered in Mr. Crichley's testimony and supplemental statement, subject to the following modifications as a result of Board action:

- (1) Taxation of Cooperatives -- It was the consensus that the testimony and supplemental statement should be addressed to

the tax favoritism enjoyed by cooperatives which manufacture and sell chemical products to non-stockholders, rather than to the tax status of cooperatives in general. In addition, the draft of the supplementary statement refers by name to a large manufacturing cooperative as a case at point and presents a detailed breakdown of its balance sheet. There was discussion concerning the advisability of deleting the name of this corporation and referring to it in general terms while, at the same time, maintaining in the presentation all specific data, including the balance sheet. Following further discussion,

ON MOTION duly made and seconded, it was

VOTED: That final discretion as to use of the corporation's name be vested with the Tax Policy Committee.

- (2) Expenses Incurred in Advocating or Opposing Legislation --
Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That this item be deleted from the statement.

At the conclusion of the discussion of this subject,

ON MOTION duly made and seconded, it was

VOTED: That the Tax Policy Committee be commended for its painstaking and excellent work in preparation of the two statements, and that the statements themselves be approved subject to editorial changes by the Tax Policy Committee and subject to the modifications outlined above.

(j) Chemicals in Foods. Mr. Lawrence A. Coleman, Chairman of the MCA Chemicals in Foods Committee, reviewed the background of this activity from a memorandum, copies of which were distributed to those present. He reported that, in view of the fact that hearings may resume February 4, the Committee had met on January 6 and passed, by a vote of ten for to three against, the following resolution:

"That the Committee recommend to the Board of Directors that the President be authorized to conduct, acting in person or through others designated by him, private discussions with Members and staff of the House Health and Science Subcommittee and with others whose attitudes may have a bearing on the legislation to be enacted, in an effort to secure enactment of the best law obtainable; and that the Board be apprised of the consensus of the Committee that if such discussions occur, MCA may have to refrain from pressing its objections to some basic aspects of the legislation, in the course of the development of a compromise measure that will represent the best law obtainable."

Following conclusion of a detailed discussion of the Committee's recommendation, it was the consensus that the Chemicals in Foods Committee resolution should be affirmed; that the Association President be empowered to conduct the discussions set forth; and that a final progress report to the Board, and policy decision by the Board, be deferred until the February 11 meeting.

(k) Carnegie Tech Research Project. Dr. R. C. Swain, Chairman, MCA Research Advisory Committee, appeared before the Directors following luncheon in order to present the recommendation of his Committee concerning continuance of the Carnegie Tech Research Project on the physical and thermodynamic properties of chemical compounds. Dr. Swain reported on progress over the past two and one-half years and stated that results have been gratifying. Circularization of the constants emanating from the project has been widespread -- to member company research departments, to educational institutions, and to Governmental research laboratories. In behalf of his Committee, Dr. Swain recommended that approval be granted for continuance of the project through June 30, 1959, at the rate of \$50,000 per year, which represents a \$9,000 increase over the current \$41,000 rate. It is planned to spend the additional money on the compilation of spectral data. It was the consensus that the Committee request be laid before the Finance Committee for consideration in preparation of the 1958-59 budget.

Dr. Swain further recommended that the Research Advisory Committee be empowered to investigate the possibilities of experimental work to complete gaps in the literature presently existing. In undertaking this assignment, the Committee would investigate outside sources of financing, and would approach various institutions and trusts which have funds set up for such work. This permission was granted.

There being no further business to come before the meeting, it was unanimously resolved to adjourn.

M. F. Grass, Jr.
Secretary

APPROVED: Ernest Hart
Chairman